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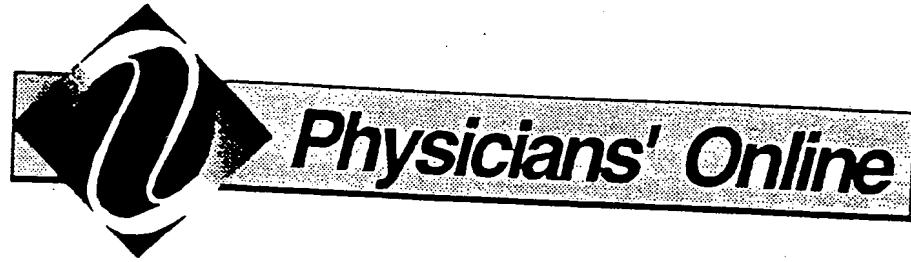
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Meeting

Handout

Christian Mayaud, MD
Chief Executive Officer

Terrill Burnett
Chief Marketing Officer

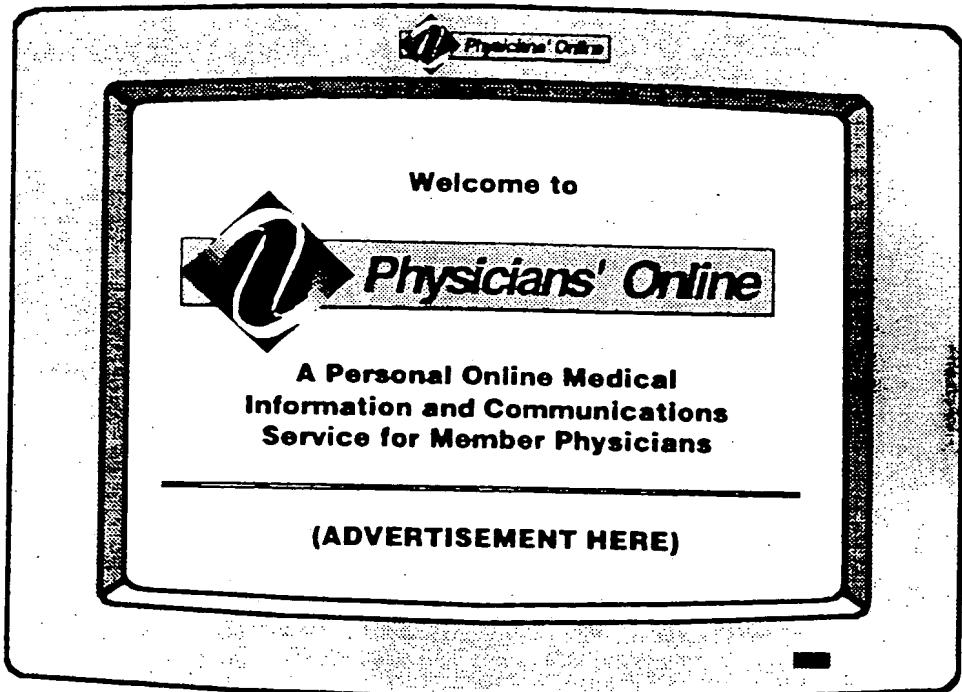
PHYSICIANS' ONLINE, Inc.
230 Park Avenue • SC-301 • New York • New York 10169
212/724-2032 | 212/338-9343 | Fax: 212/724-0849

THB 08060

"The success of managed care will probably depend on the ability ... to influence physicians' choices in the direction of increased value."

-- John K. Iglehart. Managed Care. *N Engl J Med* 1992; 327: 742.

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THB 08062

I - The Executive Summary

Physicians' Online is a personalized online medical information and communications service dedicated to empowering physicians with the tools essential to advance the quality and control the cost of health care through informed decision-making.

- *Physicians' Online* ("Company") is an innovative new electronic medium designed to evolve into a comprehensive national medical information and communications network servicing the entire health care industry. The Company's online information products and communication services provide physicians with powerful tools to manage Medical Knowledge, Prescriptions, and Patients. *Physicians' Online* provides a distribution outlet for third-party produced information products and services. *Physicians' Online* also provides valuable proprietary information services to other industry participants including managed care organizations and the pharmaceutical industry.

Phase I - Medical Knowledge Management

Online medical information and communication services which are readily accessible and free of charge to member physicians through optional online advertising support. The Company has assembled the most powerful, yet user-friendly, collection of medical information tools available from leading third-party sources. The core information products target three key areas of identified information need, including medical literature (MEDLINE), medical diagnosis (QMR), and drug information (USP). *Physicians' Online* is being developed in cooperation with major medical societies, pharmaceutical manufacturers & marketing organizations, hospitals, managed care organizations, and leading technology & third-party content providers.

Implementation: 1993 through 1994

Phase II - Prescription Management

Online prescription fulfillment and cost containment programs made possible through the use of "Smart Electronic Prescription Pads" (PDAs). This network is being developed in cooperation with managed care organizations, hospitals, pharmacists, pharmaceutical distributors, leading technology providers, and other health-care participants.

Implementation: 1994 through 1996

Phase III - Patient Management

Online patient information for efficient retrieval and transaction processing resulting in enhanced clinical and administrative efficiency and cost-containment. This network is being developed in cooperation with corporate employee benefits programs, private health insurance carriers, out-patient laboratories, electronic claims processors, installment credit organizations, hospitals, and other health care participants.

Implementation: 1995 through 1997

The Company's competitive advantage is based on its ability to attract physician use. Founded by practicing physicians with extensive experience delivering practical information products to busy clinicians, the Company has developed a market-driven product strategy designed to win maximum professional acceptance and use. The Company is establishing critical strategic alliances with leading participants in every major health care market segment. The Company is currently working with several leading content and service providers to develop new products and services for this expanding multi-billion dollar market opportunity.



Physicians' Online: 5 Year Plan

To empower physicians with the tools essential to advance the quality and control the cost of health care through informed decision-making.

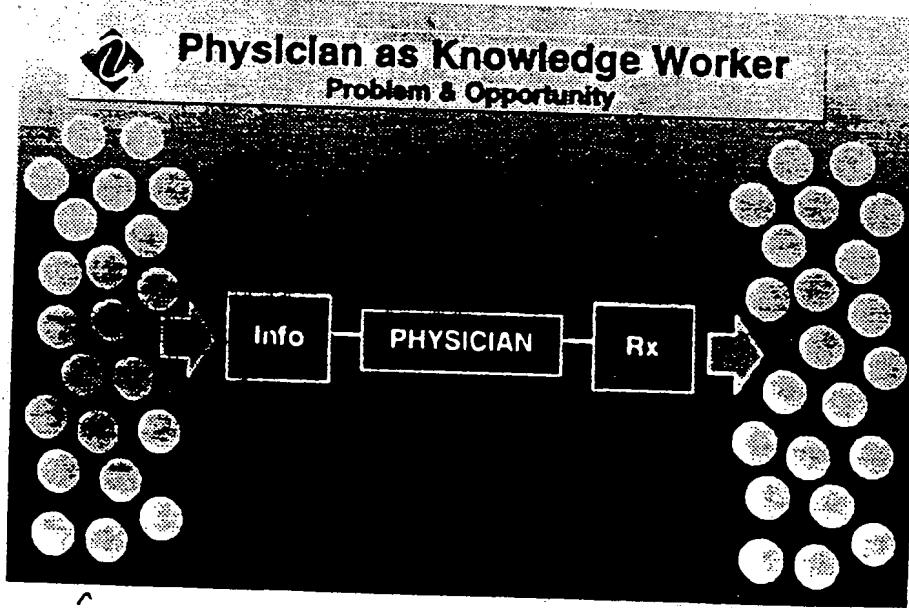
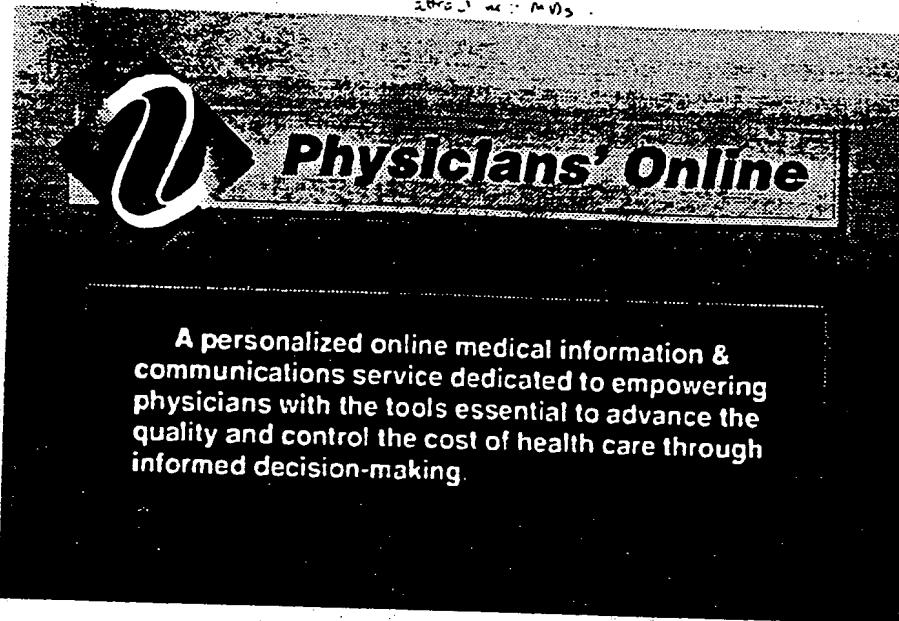
Time Period	Expenditure	Vehicle	Phase I 0-2 yr	Phase II 1-4 yr	Phase III 3-5 yr
			Medical Knowledge Management Physicians' Online	Prescription Management Pharmacists' Online Pharm Reps' Online Formularies Online Managed Care Online	Patient Management National Health Card Network
Potential Membership			500,000 physicians 10,000 pharmaceutical execs	300,000 physician offices 100,000 pharmacies 50,000 drug reps	250 million patients 10,000 hospitals other health care participants
Core Markets			MEDLINE Rx Micromarketing \$50 million / \$7 billion	Prescription Fulfillment Rx Cost-Containment >\$70 billion >\$150,000	Patient Administration Cost-Containment Programs >\$500 billion >\$1,000,000
Market Size	Market Size/MD		\$1000 / \$15,000		
Secondary Markets			<ul style="list-style-type: none"> Clinical Databases Decision-Support Tools News & Financial Services Special Interest Forums other areas of identified need 	<ul style="list-style-type: none"> Home Care Managed Care Formularies Pharmacy Network "Electronic Detailing" & Rep Support 	<ul style="list-style-type: none"> Electronic Patient Record Outpatient Laboratory Transactions Patient Health Maintenance
Main Revenue Sources			<ul style="list-style-type: none"> Pharmaceutical Advertising Pharmaceutical Micromarketing Information Membership & Usage Fees 	<ul style="list-style-type: none"> Prescription Processing Micromarketing Information Membership & Usage Fees 	
Competitive Advantage			<ul style="list-style-type: none"> "Medical Info Vending Machines" Sophisticated MD Targeting ("Ad Wizard"/"Smart Ads") Installed Terminals, PDAs, & PCs Computer-Sophisticated Members Medical Society Support Pharmaceutical Industry Support Third-Party Office Systems Support Pharmaceutical Executives' Online User-Friendly Interface Proprietary Text-Retrieval Software Proprietary Psychometric Mktg Data 	<ul style="list-style-type: none"> "Smart Electronic Prescription Pads" (PDAs) Installed Terminals, PDAs, & PCs Automated Prescriber Assistance Programs Proprietary managed care applications National Electronic Formularies Proprietary Prescriber Profiling Patient Prescription Profiles Proprietary Psychometric Marketing Data 	<ul style="list-style-type: none"> "National Health Card" Installed-base of diverse POS/PON entry-points linking integral industry participants Electronic Patient Transactions Network Third-Party Office Systems Support Hospital Systems Support Cellular Communications link to Physicians
Strategic Alliances			<ul style="list-style-type: none"> Medical & Professional Societies Pharmaceutical Companies Pharmaceutical Marketing Cos Prescription Data Marketing Companies (IMS/ MMG/ PMS) Third-party Content Providers (NLM/ CanSal/ USP) Medical Office System Companies Technology Providers (CompuServe/ Sybase/ Conque/ Coconet/ Apple/ Sun/ HP/ Cube) 	<ul style="list-style-type: none"> Prescription Fulfillment Companies (Medco) Pharmacies/Pharmacist Societies Managed Care Organizations HMOs/ PPOs/ IPAs Hospital Chains Hospital Formularies Corp Employee Benefits Programs Medical Office System Companies Technology Providers (AT&T/ Apple/ EO/ Motorola/ HP) 	<ul style="list-style-type: none"> Corp Employee Benefits Programs Private Health Insurance Carriers BC/BS/Medicaid/ Medicare Out-Patient Labs (MetPath/ BioScience/ SKF/ NHL) Outpatient Testing Companies Installment Credit Organizations Electronic Claims Processing & Cleaning Houses (NECI/ EDS) Medical Office & Hospital Systems Companies
Critical Technologies			<ul style="list-style-type: none"> Systems Integration of existing hardware & software technology Packet Data Network technology Simple Text Retrieval Software Third-party Content Development 	<ul style="list-style-type: none"> "Personal Digital Assistants" (PDAs) Data network technology Proprietary PDA applications Personal Info Management (PIM) 	<ul style="list-style-type: none"> Systems Integration Proprietary patient administration & cost-containment applications development Cellular data network technology
Infrastructure Milestones			<ul style="list-style-type: none"> 150,000 physician members 5,000 hospital members 5,000 hospital-based terminals 5,000 PDAs in Physician Offices 150,000 additional POL software installations 	<ul style="list-style-type: none"> 300,000 physician members 10,000 hospital members 20,000 hospital-based terminals 100,000 PDAs in Physician Offices 10,000 mobile PDAs 500,000 additional POL software installations 	<ul style="list-style-type: none"> 500,000 physician members 10,000 hospital members 50,000 hospital-based terminals 300,000 PDAs in Physician Offices 400,000 mobile PDAs 800,000 additional POL software installations
Infrastructure S			\$10,000,000	\$50,000,000	\$250,000,000
Infrastructure ED			\$100	\$200	\$500

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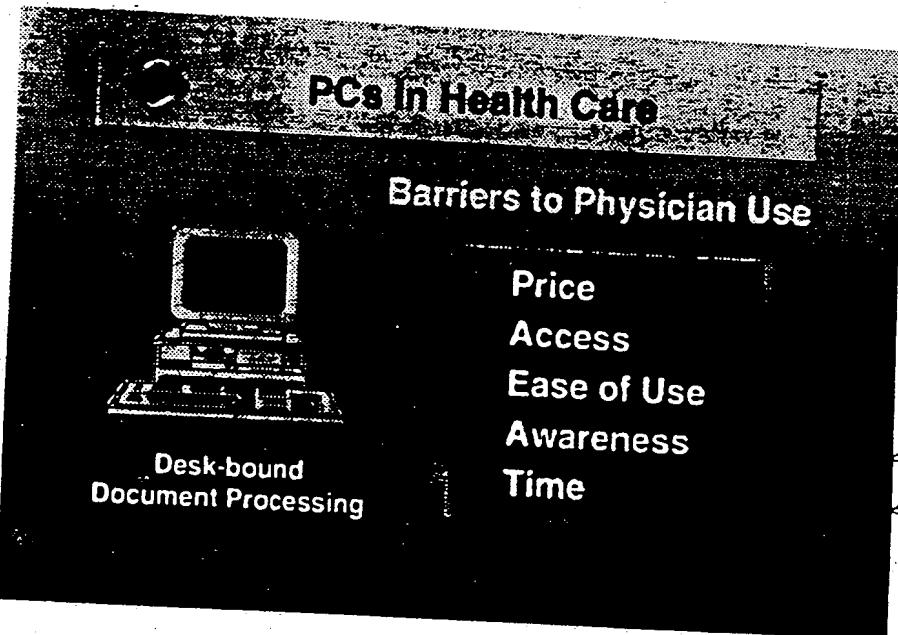


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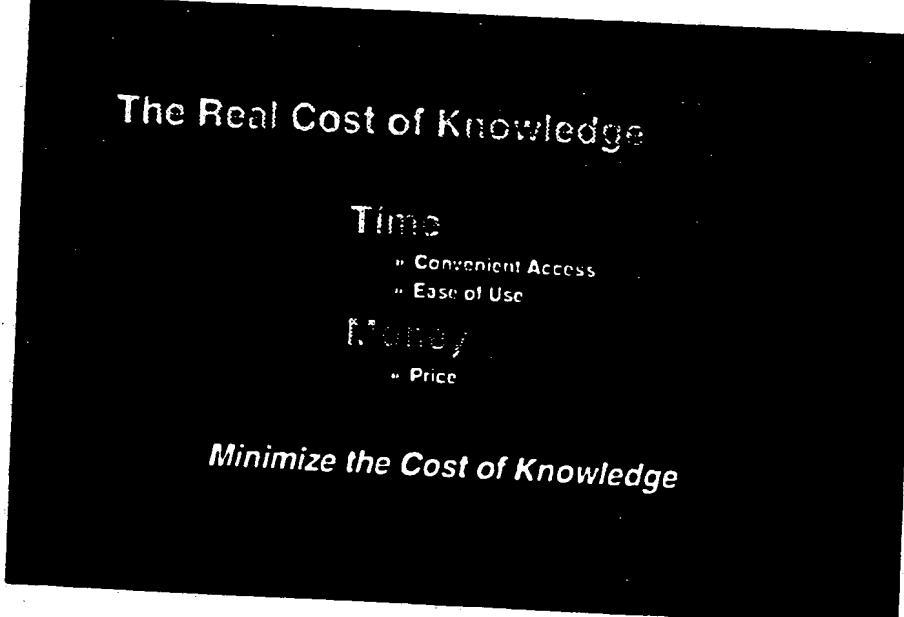
Today, time for access

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3



4



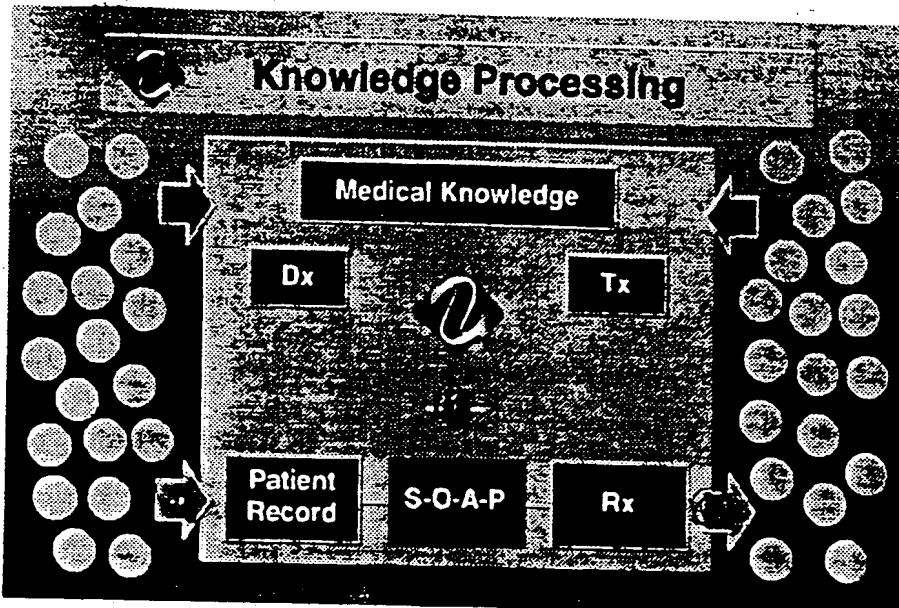
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5. Knowledge Processing

- AI scenario
- AI judgment
- Patient record

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5



3 tools

Tx = Treatment
User interface

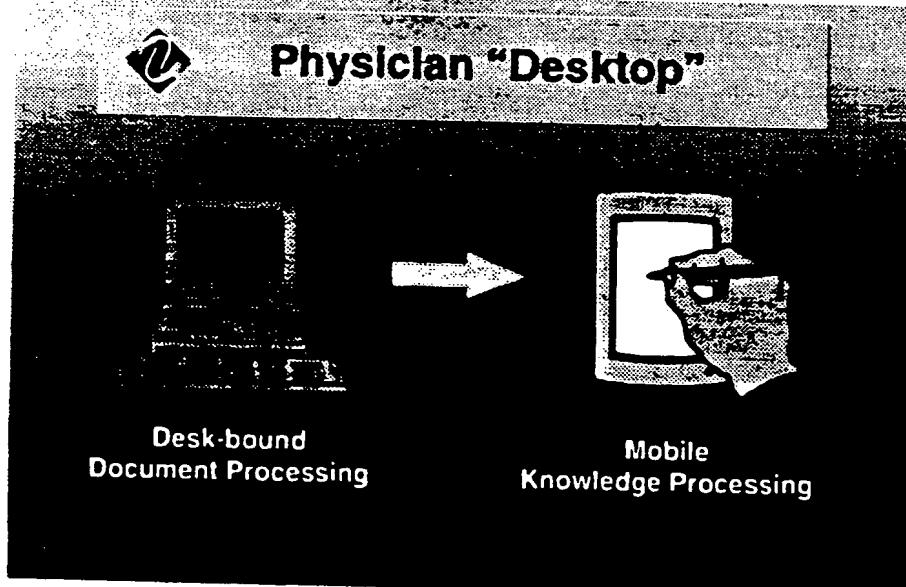
MD values
Subjective
Objective
Assessment
Plan

Prescription
Therapy
Order writing

evolving
use
etc.

FLA
is common

Physician "Desktop"

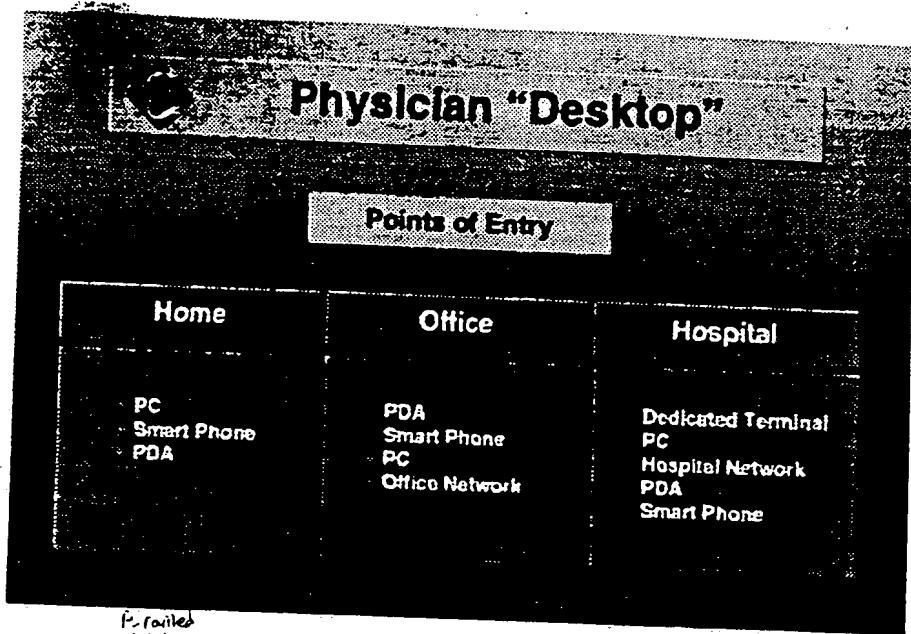


Desk-bound
Document Processing

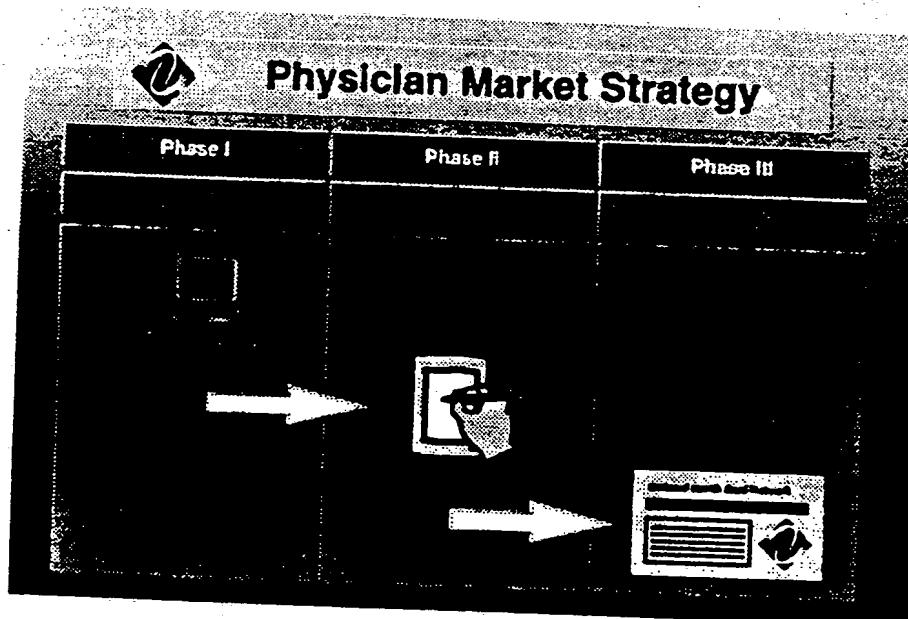
Mobile
Knowledge Processing

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Evolving Partnership
The future
How to get MDs
to use
HW now
Hardware
and software



Delivery of HC
to the network

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Strategic Alliances

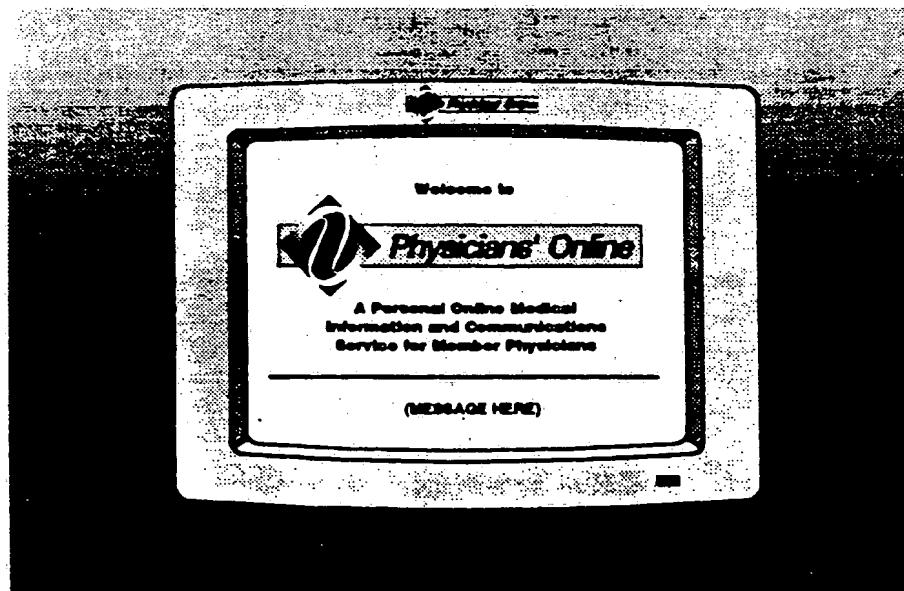
Phase by Phase
Sector by Sector Cooperative Participation
Cooperative vs Competitive
Market Growth vs Market Share
Physician "Develop" Contact
First Mover Advantage
Physician Use "All or Nothing"

Medco
McKesson

MMG
Escript
Faxnet
Convergent

efficient network

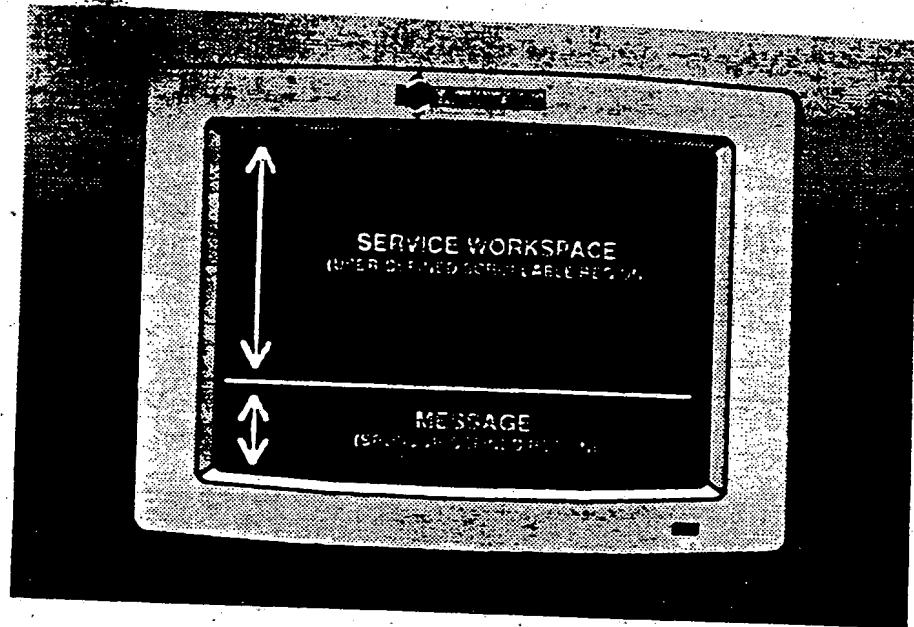
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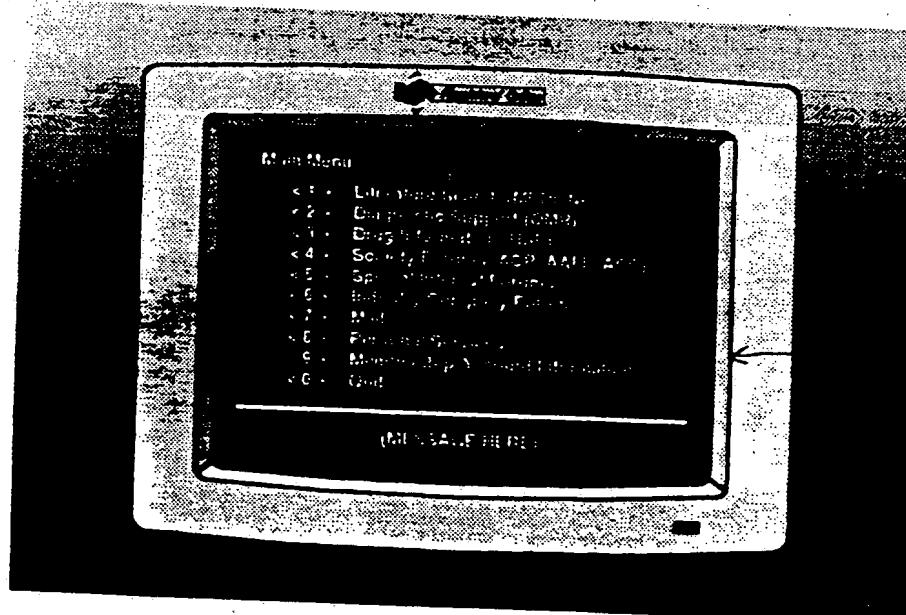
— contact
seasitive

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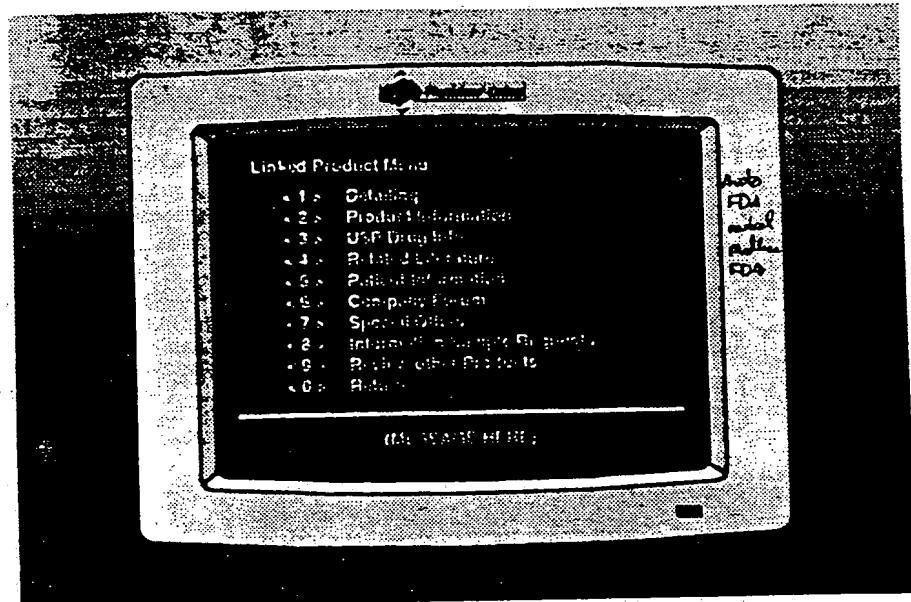
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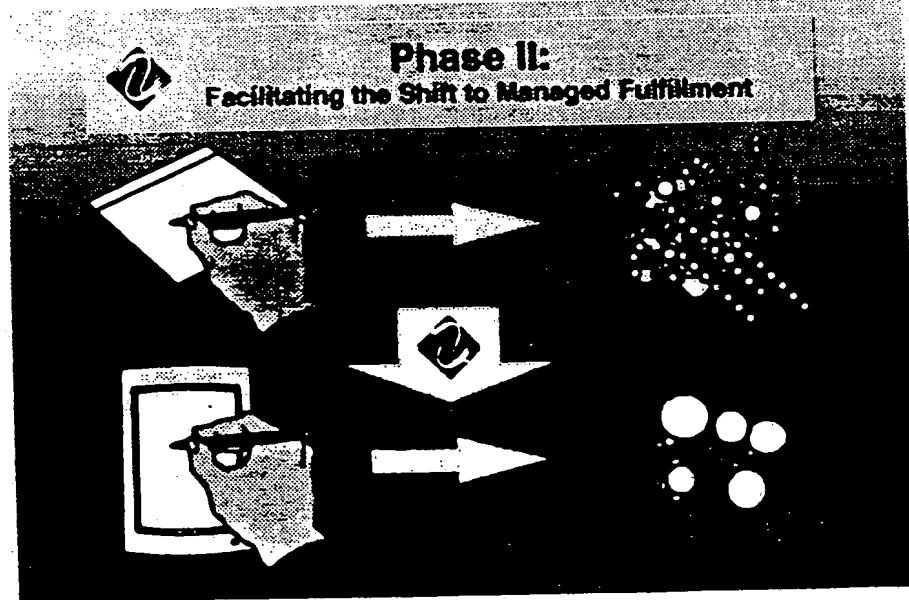
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4



• To support back office
• To support sales force
• To support retail
• To support distribution
• To support manufacturing

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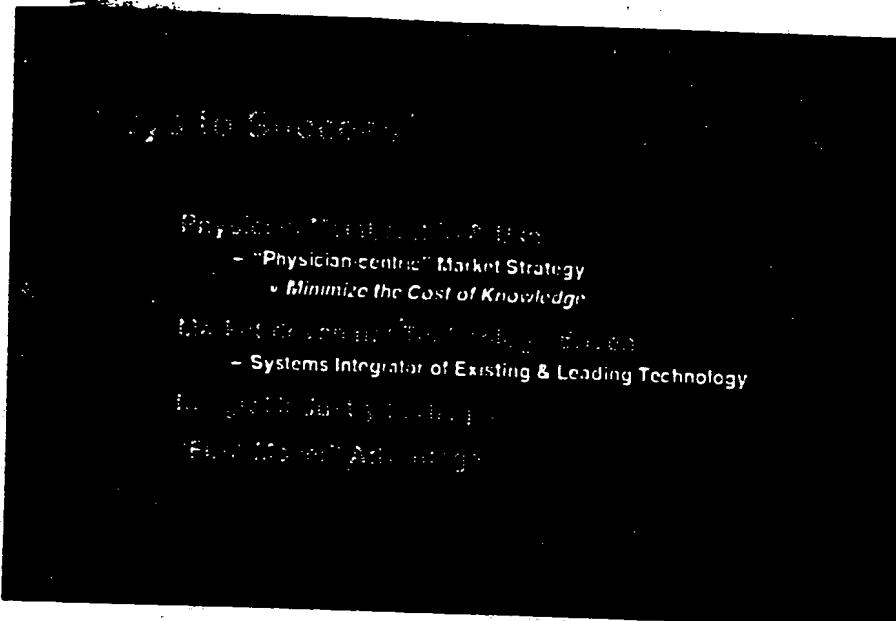
16 -

+ point
Service
From user
→ "In our hands"
→ achieves → ways & standards
→ value of banking

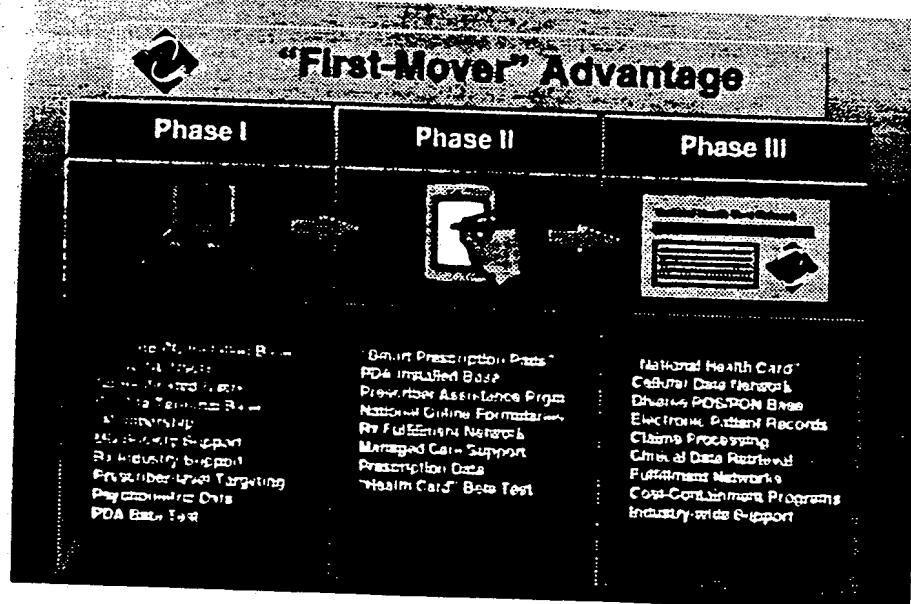
Table 1

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17 -



18



↑
 Incentive, couple billing & payment
 most effective way to win all information
 what are NME's needs

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